



ARIZONA DEPARTMENT OF ECONOMIC SECURITY UNEMPLOYMENT INSURANCE EMPLOYER NEWSLETTER - MARCH 2001

GOVERNOR SIGNS BILL AMENDING ARIZONA JOB TRAINING EMPLOYER TAX

On February 28, 2001, Governor Hull signed HB 2151 amending the Arizona Job Training Employer Tax (A.R.S. § 23-769). The bill was passed as an "emergency" measure and became effective immediately.

The amendments exempt five groups of employers from liability for the Arizona Job Training Employer Tax.

What groups of employers are exempt?

Effective January 1, 2001, these groups of employers are exempt from the liability of the Arizona Job Training Employer Tax.

1. Eligible employers (non-profit income tax exempt organizations, public sector organizations, and Indian tribes) who choose the Reimbursement Option.
2. Employers with positive reserve ratios of 13% or more and assigned a 0.05% Unemployment tax rate for calendar year 2001.
3. Employers with positive reserve ratios of at least 12% and assigned a 0.07% Unemployment tax rate for calendar year 2001.
4. Employers assigned a 2.70 % tax rate for calendar year 2001.
5. Employers with negative reserve ratios and assigned UI tax rates greater than 2.70% for calendar year 2001.

What should exempt employers do when they receive their Unemployment Insurance Tax and Wage Report (Form UC-018) for the first quarter 2001?

The first thing all employers will notice when they receive their reports for the first quarter of 2001 is a new **Line #7**. This is the line where the liability for the Job Training Employer Tax is computed and entered.

Exempt employers will see the words "**Not Applicable**" in the posting area for Line 7. This means we have determined that this employer does **NOT** need to calculate or pay the additional 0.10% Job Training Tax.

What should non-exempt employers do?

All employers NOT exempt from the Job Training Tax liability must use Line 7 to calculate and post the additional tax due. The computation is 0.10% (multiply by .001) of Line 3, the total taxable wages paid up to \$7000 per employee. This amount is added to the totals shown for lines 4, 5 and 6 and the total is posted on Line 8.

When will employers receive the new Unemployment Tax and Wage Report?

All employers required to file Unemployment Tax and Wage Quarterly Reports (Form UC-018 01/01) should receive their **bar-coded forms** during March. Please use these forms as they allow for expedited processing of your quarterly reports.

Employers, representatives and others may access blank, non bar-coded forms on the Employment Security Administration web site at www.de.state.az.us/links/esa/taxform.html.

Specifications for creating the new Form UC-018 can be obtained by contacting the ADES Systems Development Section at (602) 542-3515 or vvtball@de.state.az.us. Employers may also get the specifications by sending a written request to ADES Systems Development Section, SC 721A, P.O. Box 6123, Phoenix, Arizona 85005-6123.

What if you have questions regarding the Arizona Job Training Employer Tax or the Arizona Job Training Program?

Questions regarding the Arizona Job Training Tax and/or the new amendments to the Tax should be directed to:

William Dent
Department of Economic Security
(602) 248-9354, Extension 1504
E-Mail: wdent@mail.de.state.az.us

Questions pertaining to the Arizona Job Training Program can be directed to:

Teri Glaser
Department of Commerce
(602) 280-1344 or (888) 677-8177
E-Mail: terig@azcommerce.com

JOB TRAINING GRANTS OFFERED THROUGH THE ARIZONA DEPARTMENT OF COMMERCE

In the New Economy, people are the ultimate resource. What characterizes this New Economy is not a shift in *what* we do, so much as it is rapid change in *how* we do what we do. And, what characterizes New Economy workers is knowledge – skills, speed and flexibility.

Charged with assisting businesses statewide in the development of these so-called “knowledge workers”, the Arizona Department of Commerce Office of Workforce Development offers a number of beneficial programs – key among them is the Arizona Job Training Program (AJTP).

The Arizona Job Training Program

The Arizona Job Training Program supports the design and delivery of training plans that meet unique industry standards and challenges. Under the “Net New Hire Grant Program” currently in place, businesses can apply for grants that return up to 75% of the costs of training net new employees in jobs that meet wage criteria. Later in 2001 the “Incumbent Worker Grant Program” will allow for training that upgrades the skills of your existing employees. The Incumbent Program can reimburse employers up to a maximum of 50% of allowable training costs.

Applications for the Arizona Job Training Program are accepted year round. The application forms, including a full set of guidelines and criteria are available on the Arizona Department of Commerce web site at www.azcommerce.com/job_training.htm or by calling (602) 280-1344 or 1-888-677-8177 outside the metropolitan Phoenix area.

The Job Training application form and process have been streamlined to make submission and approval as easy as possible. Trained staff is available to assist with questions, and to walk you through the grant process.

Approval and amount of grant awards will be based on a variety of criteria, some of which include wages, benefits and location of the company.

NEW MAGNETIC MEDIA REPORTING HANDBOOK NOW AVAILABLE

The February 2001 revised Arizona Magnetic Media Reporting Handbook including reporting specifications and application form is now available on line and in print form.

The new handbook includes only one set of format specifications - the Social Security MMREF-1 format. Employers choosing to **begin filing** by magnetic media or those who wish to **change formats MUST** choose the **MMREF-1** specifications. DES will continue to support all previous formats for employers already filing by magnetic media.

Employers wishing to report by magnetic media (and you are encouraged to do so) or desiring to change formats **must** complete the Magnetic Media Reporting Application and provide test data before beginning quarterly reporting in this manner.

Questions regarding the use/preparation of the record format specifications should be directed to the Customer Support Services Unit at (602) 542-5939. The web site address for the revised handbook is: <http://www.de.state.az.us/links/esa/pau-430.pdf>.